



**Date 30 November 2009**

## **City Council Committee Report**

**To: Mayor Compton & Members of Council**

**Fr: Karen Brown**

**Re: Kenora Police Services Severance Payments**

### **Recommendation:**

**That** Council hereby approves combined severances for former employees of the Kenora Police Service in accordance with the entitlements as set out in both the current collective agreement and / or employment related contracts and as approved by the Police Services Board representing total severance payouts as follows:

- Non-Union Employees - \$580,997.23
- Union Employees - \$904,869.88; and

**That** in accordance with the Notice By-Law #144-2007, public notice is hereby given that Council intends to amend its 2009 Operating and Capital Budget at its December 14, 2009 meeting to authorize severances to former Kenora Police Service employees totaling \$1,485,867.11; and

**That** Council approves an offsetting withdrawal from the City's contingency reserve; and further

**That** Council hereby gives three readings to a by-law to amend the 2009 budget for this purpose.

### **Background:**

In early 2008, the decision was made to disband the Kenora Police Services and contract with the Ontario Provincial Police to provide policing services for the entire City of Kenora.

As part of the disbandment process, the Police Services Board is required to pay severances to certain former Kenora Police Service employees based on existing collective agreements and / or negotiated employment contracts. The severance payments have been calculated and confirmed through the City's finance department and agreed to between legal representation for both the

Police Services Board and the Kenora Police Association and / or negotiated employment contracts with non-union employees.

Total costs related to these payouts represent a disbandment cost to the City of \$1,485,867.11. These costs do not include costs related to pension transfers. The City continues to wait for information on pension transfers from the Ontario Pension Board.

**Budget:**

During the 2009 budget deliberations, it was Council's intent to fund costs related to the disbandment of the Kenora Police Services through the City's contingency reserve. The current projected balance of this reserve to the end of 2009 is just over \$2.8 million. The projected residual balance of this reserve is \$1,345,658.52 following the withdrawal for Kenora Police Services severances and prior to funding other costs related to the disbandment. A final reconciliation of disbandment costs will be forwarded to both the Police Services Board and Council for review and approval in conjunction with the City's 2009 year end. It is unknown at this time if the City will have information related to pension costs available to include in this reconciliation or if those costs will need to be addressed in 2010.

**Communication Plan/Notice By-law Requirements:**

Notice for the budget amendment is required in accordance with the City's Notice By-law.